

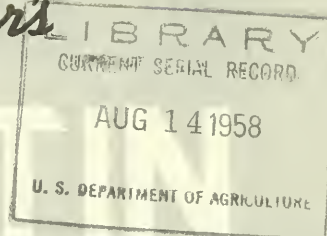
Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

1200.28
280.38
134C
reserve

THE

Market Administrator's



BULLETIN

Frederic W. Fisher
MARKET ADMINISTRATOR

Published at 519 Main Street, Cincinnati 2, Ohio

ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

January, 1958

Vol. 14, No. 1

Price Support Purchases Continuing Above 1956

Two significant changes have occurred in recent months with respect to the volume of purchases of dairy products under the price support program. First, 11 million pounds of butter were purchased September through November last year, compared with about 1 million pounds in the same period a year earlier. Purchases were made in every week last year except three. In 1956 no butter was purchased during the 7 weeks from latter part of October through the first week of December. Secondly, the increase in milk equivalent of total purchases of dairy products through August was due mainly to larger purchases of cheese. Cheese purchases continued at a higher level, September through November, but the increase in milk equivalent of cheese purchases was only about 65 million pounds, compared with an increase of 200 million pounds for the milk equivalent of butter. As of the end of November, the milk equivalent of price support purchases so far this marketing year exceeded a year earlier by nearly 800 million pounds or about 20 percent. The increase accounted for by cheese was over 400 million pounds, and butter accounted for somewhat over 300 million pounds. Purchases of nonfat dry milk are continuing near those of a year earlier.

In the marketing year ended March 31, 1957 the Commodity Credit Corporation purchased the milk equivalent of 5.1 billion pounds of milk, or 4 percent of production in that period. Making up this quantity were 154 million pounds of American cheese. Purchases of nonfat dry milk totaled 798 million pounds. With private storage stocks currently equal to or a little above those of a year earlier and production of milk and manufactured dairy products exceeding that of last year, purchases through the winter are likely to continue above those of last winter. Hence, purchases for this marketing year will exceed the levels of both the two preceding years.

Government holdings of butter from the price support operation are considerably larger than at this time last year but are only a fraction of those held from 1953 through 1955. They are well in line with probable outlets for the winter period. Cheese stocks are reduced considerably from the last several years, though they are currently a little above last year. Even with continued slightly larger purchases there will be a further reduction between now and next spring. Stocks of nonfat dry milk also are smaller than for several past years.

Increased Livestock Production In Prospect

With lower feed costs and abundant feed supplies, some increase in livestock production is in prospect for 1957-58. The overall increase, however is expected to be moderate with grain consuming animal units expected to increase from 162.8 million to around 164 million. Much of this prospective increase is expected to be in hogs. The favorable hog-corn ratio is expected to result in more hogs to be fed, especially 1958 spring pigs to be fed through the summer and fall of 1958. Producers in 10 major States have indicated their plans to increase their December-February farrowings by 7 percent. These hogs which make up about a third of the entire spring crop would be fed nearly entirely from 1957-58 feed supplies. Based on reports from producers in the 10 States the 1957 fall pig crop is up about 3 percent.

With ample supplies of lower priced corn, cattle producers are expected to continue heavy grain feeding of beef cattle even though there is a downtrend in total cattle numbers. With big sorghum grain supplies in the Southwest there will be increased use of sorghums for cattle fattening in that area. Dairy-

(Continued on Page 4)



Columbus

PRICE SUMMARY

	Dec. 1957	Nov. 1957	Dec. 1956
Producers' Uniform Price (3.5%).....	\$4.24***	\$4.37**	\$4.21*
Producers' Uniform Price (4%).....	4.59	4.725	4.62
Class I (3.5%).....	4.419	4.504	4.365
Class II (3.5%).....	4.019	4.104	3.965
Class III (3.5%).....	3.919	4.004	3.965
Class IV (3.5%).....	3.096	3.081	3.236
Class IV (Butter).....	-----	-----	3.061
Producer Butterfat Differential for each 1/10%.....	7.0¢	7.1¢	8.2¢

UTILIZATION SUMMARY

Percent of Producer Milk in Class I.....	79.9	85.3	81.0
" " " B. F. " " I.....	73.4	79.1	71.9
" " " Milk " " II.....	7.4	7.8	9.7
" " " B. F. " " II.....	3.4	2.8	13.0
" " " Milk " " III.....	4.0	2.9	3.3
" " " B. F. " " III.....	3.2	2.7	4.3
" " " Milk " " IV.....	8.7	4.0	6.0
" " " B. F. " " IV.....	20.0	15.4	10.8

PRODUCTION SUMMARY

Total Pounds of Producer Milk Delivered.....	24,923,644	23,847,569	23,637,293
Average Daily Class I Producer Milk.....	642,343	677,745	617,735
Total Number of Producers.....	1,863	1,882	1,966
Average Daily Production per Producer.....	432	422	388
Average Butterfat Test.....	3.93	3.92	3.88
Total Value of Producer Milk at Test.....	\$1,130,906.61	\$1,117,332.82	\$1,067,637.03
Income per Producer (7 day average).....	\$137.07	\$138.53	\$122.62

GROSS CLASS USE (Pounds)

Class I Skim.....	19,194,165	19,592,635	18,489,767
" I B.F.....	718,467	739,708	660,013
" I Milk.....	19,912,632	20,332,343	19,149,780
" II Skim.....	1,819,452	1,826,653	2,167,272
" II B.F.....	33,518	26,459	119,594
" II Milk.....	1,852,970	1,853,112	2,286,866

AVERAGE DAILY SALES (Quarts)

Milk.....	255,595	276,354	255,498
Buttermilk.....	4,839	5,390	5,150
Chocolate.....	11,474	13,223	11,293
Skim.....	7,631	8,271	7,134
Cream.....	7,869	8,302	10,780

*Fall Production Payment 53c per cwt. additional
**Fall Production Payment 52c per cwt. additional
***Fall Production Payment 51c per cwt. additional

COMPARATIVE STATISTICS



COLUMBUS MARKETING AREA



DEC., 1948-57

Year	Receipts from Producers	Average Butterfat Test	Percentage of Producer Milk in Each Class				Uniform Prod. Price 3.5%	Class Prices at 3.5%				Number of Producers	Avg. Daily Prod.
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1948	14,557,999	4.33	78.9	7.8	8.2	5.1	4.38	4.469	4.219	4.07	3.616	2,452	192
1949	15,448,284	4.34	79.3	8.0	5.0	7.7	4.00	4.114	3.863	3.714	3.26	2,457	203
1950	15,699,222	4.31	81.1	16.3	2.6		4.44	4.509	4.109	3.299		2,149	236
1951	15,677,571	4.25	84.9	13.5	1.6		5.15	5.191	4.792	4.017		2,108	240
1952	18,421,239	4.17	78.8	16.6	4.6		4.58	4.736	4.336	3.659		2,209	269
1953	22,066,687	4.10	73.5	13.9	12.6		4.26	4.472	4.072	3.466		2,252	316
1954	22,456,753	4.05	77.2	7.9	4.1	10.8	4.06	4.27	3.87	3.87	3.276	2,152	337
1955	23,609,212	4.03	76.9	8.9	4.4	9.8	4.01	4.188	3.788	3.788	3.161	2,096	363
1956	23,637,293	3.88	81.0	9.7	3.3	6.0	4.21	4.365	3.965	3.965	3.236	1,966	388
1957	24,923,644	3.93	79.9	7.4	4.0	8.7	4.24	4.419	4.019	3.919	3.096	1,863	432

Oats Supply Slightly Above Average

The oats supply for 1957-58 is estimated at 1,596 million bushels, 80 million more than last year, but only slightly above the 1950-54 average. The 1957 crop of 1,338 million bushels was 16 percent larger than in 1956 as a result of a larger acreage and a much better growing season, especially in the Western Corn Belt. The 238 million bushels carried over on July 1, however, was down nearly a third from the record stocks on that date last year and a little below average. The total supply also includes an allowance of 20 million bushels for imports.

Utilization of oats in 1957-58 probably will be a little larger than in 1956-57 when the quantity fed to livestock was 5 percent below the 1950-54 average. Exports have totaled around 25 million bushels in each of the past two years and are expected to continue fairly heavy in 1957-58, coming mostly from CCC stocks. The carryover of oats into 1958-59 is expected to increase from the comparatively low level this year, probably going a little above the 1950-54 average.

Price Of Milk Cows Showing Further Increase In 1957

Two developments in 1957 have tended to favor an increase in price of milk cows. As indicated earlier, the improved relationship between milk prices and feed prices has tended to make milk cows more valuable for milk production purposes. In addition, there has been a very pronounced rise in the price of canner and cutter cows, a slaughter classification in which most culled milk cows are marketed. The average price for canner and cutter cows at Chicago increased from \$8.42 per cwt. in November 1956 to about \$12.30 per hundred pounds, this November, the highest for that month since 1952. From 1953 to 1956, the November price for this classification ranged between \$8.15 and \$8.55 per hundred pounds. This rise of about \$4 per hundredweight is equivalent to an increase of about \$30 to \$40 per head in the carcass value of a milk animal. In November the average price received by farmers for milk cows was \$174 per head, an increase of \$20, or about 13 percent over a year earlier. With the increasing value per head for dairy stock and continued large supplies of roughage and concentrate feeds, many farmers may be induced to raise an increased number of dairy animals. Such animals could be used to replace older animals in the farm herds, thereby making for a more rapid turnover and

possibly some further increase in productivity of milk cows. This development may stimulate the increase in average size of existing dairy herd, and tend to limit the decrease in total number of milk cows, even though the number of farms keeping milk cows continues to decline.

The number of U. S. farms with milk cows has declined 4 to 5 percent per year for several years. The declines in some States were substantially larger. The need for increased capital outlays to make their farms larger and/or more efficient may have influenced many operators to leave dairying. Limited available acreage also may have been a factor.

Private Storage Holdings Increase Slightly

From late last winter to the end of October, the net increase in storage holdings of butter by private firms was somewhat greater than a year earlier. An increase also has occurred in manufacturers' holdings of evaporated milk. Private holdings for the other items, however, showed a smaller net increase in storage level, so that on balance there has been only a slightly larger increase in net holdings of milk equivalent in the different products this year.

RETURN POSTAGE
GUARANTEED

THE
Market
Administrators
BULLETIN

Corn Acreage And Production Trends

The downward trend in corn acreage that has been under way since the early thirties brough the total 1957 acreage for the United States to the lowest level since 1885. The 73.6 million acres planted was 11 percent lower than in 1950 and 28 percent below the 1930-39 average.

Most of the decline in the last decade has been in the South where farmers are shifting to a less intensive type of agriculture requiring less farm labor. Corn plantings have declined more than a third in the South Central region since 1950 and about a fifth in the South Atlantic region. The 7.4 million acres taken out of corn in the South from 1950 to 1957 accounted for the major share of the 9.3 million acre reduction for the United States.

Corn acreage was relatively stable in the Corn Belt from 1950 to 1956. In the East Central region plantings varied from 20 to 23 million acres, and in the West North Central region from 34 to 36 million acres during the 7 years. Acreages planted to corn in these regions were practically maintained in 1954 and 1955 in spite of the acreage allotment programs in those years. Reduced plantings by complying farmers were nearly entirely offset by expanding acreages on farms of non-complying producers. The combined reduction of 5.1 million acres in the two regions from 1955 to 1957, however, appears to have been largely the result of the combination of the Soil Bank and the acreage allotment programs.

In the last 2 or 3 years, corn production in the East North Central region

Market Quotations

December
1957

12 MIDWEST CONDENSERIES 3.5% per Cwt.....	\$3.146
5 CONDENSERIES (Cincinnati) 3.5% per Cwt.....	2.9950
5 CONDENSERIES (North Central Ohio) 3.5% per Cwt.....	3.045
2 CONDENSERIES (Toledo) 3.5% per Cwt.....	2.988
4 CONDENSERIES (Tri-State).....	3.106
Evaporated Milk Code Price, 3.5% per Cwt.....	2.846
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Cincinnati).....	3.2428
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus).....	3.219
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Dayton).....	3.243
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Toledo, Tri-State).....	3.117
Average Weekly Cheddars price per lb.....	.3325
Average price per lb. non-fat dry milk solids, roller process delivered Chicago.....	.15283
Average price per lb. 92-score butter at Chicago.....	.59685
Average carlot prices non-fat dry milk solids, roller and process, f.o.b. manufacturing plant.....	.14475

Increased Livestock Production In Prospect

(Continued from page 1)

men also will continue to feed their cows liberally. The rate of feeding grain and other concentrates per cow increased to a new record in 1956-57 and will continue at a high level in the coming year. On October 1 the rate of feeding per cow was 5 percent higher than a year earlier and 26 percent above the 1946-55 average.

Because of the generally unfavorable ratios for egg production earlier this

year the number of hens and pullets on farms will not be as large in 1957-58 as in 1956-57. On October 1 the number of pullets and young chickens was 13 percent smaller than a year earlier. This will mean fewer layers on farms through the first half of 1958. The number of broilers produced, however, has trended upward for a number of years and is expected at least to be maintained in 1957-58.

has been about a fourth higher than in the 1940's, around 5 to 10 percent higher in the West North Central region, 15 percent higher in the South Atlantic region, but about 15 percent lower in

the South Central States. Production also has trended upward in the North Atlantic and Western regions, but these two regions normally produce less than 5 percent of the national total.